

State of Connecticut
GENERAL ASSEMBLY



COMMISSION ON CHILDREN

Friday, June 29, 2012

Testimony of Elaine Zimmerman
for the Program Review and Investigations Committee

Senator Fonfara, Representative Rowe and Members of the Program Review and Investigations Committee:

My name is Elaine Zimmerman. I am the Executive Director of the CT Commission on Children and am here today to testify on Connecticut's efforts at maximizing federal revenues.

Our agency has a history of raising funds for children and families. These funds are rarely for our agency, but for whichever state or regional agency or local institution is appropriate for the fiscal opportunity that will promote positive child outcomes.

This is done with an 1) entrepreneurial spirit, 2) a belief that public / private partnerships and federal / state partnerships can optimize policy gains with resources and required accountability, 3) necessary creativity and 4) hard work.

We had an opportunity to meet with staff from the Program Review and Investigations Committee to discuss structural recommendations to achieve federal funds maximization, and specific strategies and skills that would need to be put in place to fully maximize federal funds. In this conversation, we used examples from our experience to cull out lessons learned. I will do this again briefly.

1.

SNAP E & T

In 2008, I was informed by the Casey Foundation, of an opportunity to bring in federal dollars to increase employability and to increase wages. This fund

was the SNAP E & T program. We brought in experts, held a forum for legislators, and worked with the National Conference of State Legislatures to ensure the strength of this opportunity.

Overview: Supplemental Nutritional Assistance Program Employment and Training program (SNAP E&T; formerly known as Food Stamps Employment and Training or FSET) funds may be used to support a variety of education, training, employment, and related services for SNAP recipients. Federal administration of the SNAP E&T program is housed within the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA).

Type of Program—Grants to states and federal reimbursement to states: The SNAP E&T program includes two main types of funding: (1) 100 percent federal funds and (2) 50 percent federal reimbursement funds.

Under the first, each state is given a capped allotment of 100 percent federal funds to provide SNAP E&T services (other than participant reimbursements). This allotment is very low compared to the total number of potentially eligible SNAP recipients. In many states these grants are entirely consumed by job search activities and referrals to education and training that are funded from other sources.

States can also qualify for additional 100 percent federal funds if they commit to serving **all** unemployed childless adults who would otherwise be at risk of losing SNAP benefits due to the time limit.

Under the second component, states can claim 50 percent reimbursement for non-federal spending on SNAP E&T activities. This is not capped. In order to draw down these funds, states must include a description of these activities and a proposed budget in a SNAP E&T plan. The plan must be approved by the FNS at USDA.

Eligibility and Targeting: Participants must be recipients of SNAP benefits, and not Temporary Assistance for Needy Families (TANF) recipients.

Services/Program Support: SNAP E&T funds may be used to support the operating costs of education and training programs, support services for participants, and retention services, for up to 90 days.

Non-federal Funds: States receive a limited allotment of 100 percent federal funds, and must provide a match to receive the 50 percent federal

reimbursement funds. Third party expenditures may be claimed as state spending for this purpose, contingent upon federal approval.

SNAP E&T supports education and training activities for SNAP (Food Stamp) recipients, and is flexible regarding the types of programs. It can pay for the costs of operating education and training programs, including basic skills instruction, as long as the program or service is not available to the participant at no cost through another government program or private source.

The federal government will share half the cost of reimbursing recipients for a wide range of expenses related to participation in a SNAP E&T component, including dependent care, transportation, uniforms, books, safety equipment, interview clothing, test fees, supplies, etc. In a new provision added by the Food, Conservation and Energy Act of 2008 (P.L. 110- 234), SNAP E&T funds can also be used to provide job retention services for up to 90 days after an individual who received employment and training services under SNAP E&T gains employment.

In the past, states mostly claimed reimbursement for direct state and local expenditures under the 50 percent reimbursement funding stream, but in recent years, a number of states have developed processes to claim expenses incurred by community colleges and other not-for-profit organizations under contract to the state agency operating SNAP E&T (sometimes referred to as “third-party match” programs).

OPPORTUNITIES FOR STATES

- The 50 percent reimbursement stream can be a significant and flexible source of federal funding. States are reevaluating the types of supports they would like to provide under these programs, and a few are offering more robust education and training.
- SNAP E&T funds can be a valuable complement where TANF funds are used to provide services to low-income families with children, as SNAP E&T allows states to serve low-income individuals who do not have children.

Connecticut Legislation

In 2008, Connecticut—the first state in the nation to enact a law setting a target for reducing child poverty—also became the first state in the nation to mandate the use of federal food-stamp employment and training matching funds to help achieve the goal of reducing child poverty.

The law, Public Act 08-161, directs that matching SNAP E&T funds be put into programs that help the state meet its goal of reducing the number of children living in poverty by 50% percent by the year 2014. Both chambers of the Connecticut General Assembly approved the bill unanimously on May 7, and Governor Rell signed it into law on June 12.

Federal law permits states to earn an uncapped dollar-for-dollar match on a broad range of employment and training services for food stamp recipients. Various state/local and public/private expenditures are eligible for the match.

Under the Connecticut law, most SNAP E&T match funds received by the state are directed to community colleges and other employment and training providers to implement poverty reduction strategies, based on best practices and aimed at reducing poverty or the risk of poverty for specific target populations. Preference was to be given to providers who are part of a community collaborative whose strategies are aligned with the state child poverty reduction plan.

The remaining SNAP match funds were to be used by those community collaboratives to implement poverty-reduction strategies developed through a community process. Collaboratives were to include SNAP providers and local partners.

SNAP E&T Federal Reimbursements by Year

FY09:	\$274,694
FY10:	\$489,308
FY11:	\$394, 931
“estimated FY12”:	\$1,224,410

Obstacles – While Public Act No. 08-161 clearly mandates that collaboratives be given priority over individual entities in the CT State Plan, this has not been the case. Currently only the New London County/OIC collaborative is part of the state plan, and apparently several community and technical colleges in the state are attempting to join the state plan as a sole entity rather than as a member of a community collaborative.

The Department of Social Services has not properly implemented the bill. They are not giving priority to collaboratives, but to community colleges. There is no one overseeing this opportunity or looking to ensure that the legislation has been properly implemented.

(The **challenge in engaging collaboratives** is the administrative burden, particularly difficult in CT given our antiquated computer system at DSS. Vermont and Massachusetts speak about smooth data-matching and reimbursement processing, quite different than Capital Community College's experience in our state).

Lessons and Implications:

Research and connections are necessary to learn of opportunities. Even in these times of limited resources for the unemployed or low wage worker, States continue to bring in significant resources. We learned about these opportunities by connecting with thinkers on this topic and to philanthropy. Opportunities are forged from relationships, and don't strictly emerge from a book or text on available grants.

Understanding how other states use a federal opportunity is imperative. This approach captures innovation, identifies obstacles, and promotes efficiencies.

Legislation might help the utilization of funds on a state level. Sound policy can help ensure direction and accountability, preserve the public interest, and promote streamlined state rendition and the purposeful use of dollars to meet state policy goals.

Someone must be charged with overseeing the proper implementation of funds and goals in a broad, big-picture manner to ensure the maximization of opportunity, and accountability to the public. To date,

agencies garner funds. There is no incentive to link dollars to policy gains, outcomes, results based accountability, or policy agendas that cross entrenched agency silos.

2. ARRA

As you all know, federal American Recovery and Reinvestment Act (ARRA) funds were offered to states to help with the initial and growing shock of the recession. In this case, the federal government required states to show how it would use funds for specific existing activities, or to present ideas for new activities. Categories were limited to various activities related to poverty, jobs, and job-training.

The Commission on Children brought in experts from the National Conference of State Legislatures, learned of the necessary formulas to garner dollars, problem solved challenges, and strove to understand how CT might access these resources. The administration at the time decided not to compete for these funds, on the theory that the effort to secure any funds surpassed the gains, and that the specific requirements could not be met by our state.

We persisted. We brought in more experts from the National Conference of State Legislatures, learned that dollars from the private sector could count towards our formula to receive federal ARRA funds. We held meetings with philanthropy and asked them to partner with us. They agreed.

We brought in the business coalitions in our state and asked them to partner with us. They agreed. Both CBIA and the Fairfield County Business Association came in. We brought in selected community colleges, youth entities, and human services agencies, creating a state coalition to secure these funds.

We went to legislative leadership. We facilitated writing legislation so our state could properly utilize the dollars, should we receive any. We worked with Representative Walker. We went to the press about this opportunity.

At a certain point the administration decided to proceed, too many people were on board, across the political spectrum, and any obstacles had essentially been ironed out.

Outcome Ultimately, the Commission identified \$133 million available to Connecticut from ARRA federal TANF emergency funds.

Through early action and vigilant collaboration with our Congressional delegation and state legislators, Connecticut successfully obtained \$39 million from this fund. We worked closely with our partners, representing \$15 million in federal reimbursement.

Lessons and Implications

There are differing views on the role of government and whether government should promote the public good. When there are available opportunities, politics can either help or hinder.

Getting funds entails significant work and imagination. Thinking out of the box was necessary to meet the formulated requirements for these funds. With 35,000 children entering poverty, the effort seemed worth it to us.

Public private partners can help maximize opportunity. In this case, our Congressional delegation put pressure on the administration to open the door on this opportunity. Business leaders helped us think through the model. Philanthropy came in as true and equal partners. Philanthropy even provided staff to help us gather all our numbers and bring in as many agencies as possible to maximize our return.

Entrepreneurial spirit is not strong in government. This should change. Business was not stunned or stopped by the requirements of this opportunity Government was. This should change.

We must know the field to garner opportunity. In this case, we knew business, philanthropy, what sorts of activities our state participated in to be eligible and could problem solve. Had we not known this array of players, stop signs would have prevailed.

A strong mission and integrative stance would facilitate further resources. Our state government is used to largely bringing in modest federal dollars with little incentivization, and rarely a big picture mission or set of goals.

Working across entrenched silos brings in more resources. Ct largely works agency by agency, rather than by government mission and integration of agencies towards shared large goals.

We must partner with National Conference of State legislatures and other large philanthropic agencies committed to good government and the public good- NCSL offers technical assistance and details steps towards opportunities. They are non-partisan and willing to roll up their sleeves.

3. The Parent Trust Act

The Commission on Children worked with philanthropy and our state legislature to create a model policy and a fund for family civics, which has now become a model for other states. The Parent Trust is a funding partnership that helps communities improve the health, safety, and learning of their children by funding civic leadership training for parents. This is the first initiative of its kind in the nation.

The Parent Trust Fund was established through ground-breaking legislation passed by the Connecticut General Assembly in June, 2001. The Robert Wood Johnson Foundation seeded the Trust with \$250,000. The William Casper Graustein Memorial Fund followed as the first Connecticut foundation to contribute. With nearly a decade of success behind it, the Fund has earned strong support from parents, school personnel, the Legislature, and local elected officials.

Currently, there is a state budget allocation of \$500,000 and a private foundation match of \$250,000 available for the Parent Trust Fund. The Parent Trust Fund serves more than 1100 parents on average each year across Connecticut.

Lessons and Implications

1. ***Public private partnerships can create resources***, promote innovations, and broaden the public will.
2. ***Know the issues. Prioritize.*** Do not go for funds, just for funding sake. Funds for funds sake, without attention to specific policy goals would lose appeal rapidly and eclipse impact.
3. ***Federal funds maximization should also include opportunity for philanthropic funds that would help the state innovate, build policy, and effect the desired systemic change.***

Summary

The Commission on Children has brought in dollars for other purposes as well. For example, we worked with Senator Dodd and the New England states to get funds into the federal finance bill that would help mitigate the foreclosure crisis.

This led to \$32.9 million coming to Connecticut for the unemployed homeowners' loan program.

We recently brought in 1.2 million from the Kellogg foundation for our parent leadership work to go national.

We continue to look for opportunities. For example, a New York foundation invited us to attend a meeting of all national foundations interested in parent leadership, as they see our state as a model.

We brought NCSL to our state yesterday and today on the issue of home visitation. This morning we worked with them on how to use SCHIP dollars for home visitation, which is being done in our neighboring state of Massachusetts. We are also studying how to maximize Medicaid for home visitation.

Yes, there are fewer resources, but with entrepreneurial spirit, leadership, a focused mission, and a constant ear to the ground and eye on our purpose, we can secure these precious funds for the people of CT.

Thank you for your time.

